

Defense Finance and Accounting Service  
Accounting Business Line (ABL) Request for Information (RFI)

The establishment of the Defense Finance and Accounting Service (DFAS) in January 1991 was an important first step in the continuing process to improve the Department of Defense (DoD) finance and accounting operations. Prior to DFAS, DoD performed finance and accounting functions at various installations/activities using non-standard systems and procedures. Over the years, DFAS consolidated from 338 offices to 26, reduced manpower by 9,200 positions, reduced systems from 324 to 65, reorganized into business line structure, and received an unqualified audit opinion on its financial statements for fiscal years 2000, 2001, and 2002.

DFAS consists of three major business lines, one being Accounting Services. The Accounting Services Business Line (ABL) is responsible for providing responsive, professional finance and accounting service to the DoD by recording financial events, classifying, summarizing, and reporting the results of business transactions in financial (monetary) terms, monitoring budget execution, and analyzing the results of these processes. The ABL performs these operations for appropriated/general funds, working capital funds, and trust fund activities. DFAS accounting professionals develop procedures to implement federal accounting requirements mandated by Congress, Office of Management and Budget, Department of Treasury and DoD, and maintain the current operational accounting systems to accomplish their accounting service mission.

The DFAS has announced four additional Accounting Business Case Analyses for Fiscal Year 2004. As a result, a joint Request for Information (RFI) is being published to obtain Industry interest in accomplishing services for:

- Air Force Accounting
- Army Accounting
- Defense Agency Accounting
- Navy Accounting

The purpose of this RFI is to conduct market research to determine if the private sector has the capability and interest to perform DFAS Accounting Services. This is not a solicitation for services. This RFI presents some background, clarifies the purpose, provides an overview of the four DFAS Accounting entities, includes approximate staffing levels, and lists specific instructions for providing information about the capabilities of potential private sector service providers to perform these services.

Air Force, Army, Defense Agency, and Navy Accounting are separate entities under the ABL and are performed at different DFAS locations, which will be outlined later in this document. Note: Marine Corps Accounting is **not** included in this document.

*Please note that responses to this RFI can be accomplished by Accounting Network (e.g., Navy Accounting, Air Force Accounting, Army Accounting and/or Defense Agency Accounting);*

*by Accounting function (e.g., Departmental Level Accounting, Field Level Accounting, functional Systems Management); or any combination thereof.*

## **OVERVIEW OF ACCOUNTING FUNCTIONS:**

Overall, all four Accounting Lines (Air Force, Army, Navy, and Defense Agency) provide similar types of services (accounting product lines) for their respective customers as follows:

- Field Level Accounting/Reporting support services which include budgetary and proprietary accounting, reporting and accounting statement preparation for all funds (general/appropriated, working capital, revolving and trust). At a minimum this would include accounts payable; accounts receivable; billings; cash accountability; funds authentication; accounting for plant, property and equipment and other elements of expense; and preparation and consolidation of assigned Office of Secretary of Defense (OSD) accounting and financial management reports.
- Departmental Accounting/Reporting services which involve the consolidation, reconciliation, and roll-up of trial balances and subsidiary accounts into consolidated budget execution reports and Chief Financial Officer (CFO) Act financial statements; and reconciling and reporting cash accountability to the Department of Treasury.
- Management and continual improvement of accounting processes which include accounting procedures and guidance; accounting systems functional maintenance and support to accomplish capturing, transmitting, analyzing, recording and reporting accounting transactions; electronic commerce and business process improvement initiatives; and customer service and business management.

For purposes of this RFI, Field Level and Departmental Accounting/Reporting services can be further categorized in 10 core accounting processes. This RFI will relate each of these areas to the specific business line entities later in this document, as each Accounting network does not perform all 10.

- Maintain General Ledgers – involves receiving and processing data for general ledgers, validating incoming data, performing follow up concerning missing reports and/or data; recording departmental level entries, providing assistance to the field sites, explaining balance issues, submitting final reports, preparing journal vouchers.
- Perform Funds Control – Budgetary Accounting – involves recording obligations, monitoring funds availability, recording expenditures, reconciling fund targets, monitoring reimbursable orders, recording commitments.
- Maintain Accounts Receivable – involves preparing billings, recognizing revenue (establish estimates), establishing receivables, maintaining and updating account information, recording collections, managing delinquent debt, managing advances, managing unfunded reimbursables.

- Maintain Accounts Payable – involves recording payments, accruing liabilities, recognizing liabilities and establishing payables; processing payments; maintaining electronic funds transfer data; conducting unliquidated obligation reviews; processing billings.
- Maintain Inventory Accounting – involves reconciling inventories; processing adjustments; updating inventory; reviewing and validating end of month/year inventory reports; validating and adjusting sales of inventory.
- Perform Property, Plant and Equipment Accounting – involves reviewing and validating end of month/year fixed asset reports; preparing journal vouchers for property/plant/equipment; receiving incoming data for property/plant/equipment; reconciling data.
- Perform Payroll Accounting – involves processing payroll data and accruing wages for both US and Local National civilians and military personnel at standard rates.
- Maintain Cost Accounting – involves performance of cost accounting and monitoring cost accounting.
- Generate Accounting Reports – involves receiving and processing data for accounting reports; recording installation, departmental, and agency entries for accounting reports; creating installation, departmental and agency accounting reports; providing customer assistance; accumulating information for accounts receivable reports; providing trust fund accounting reports; and providing ad hoc financial information reports to the military services, Defense Agencies, Foreign Military Sales (FMS), OSD, Office of Management and Budget (OMB), Department of Treasury and Congress.
- Maintain Cash Reporting – involves processing departmental and detail cash reporting, resolving problem disbursements.

As previously stated, in addition to the preceding 10 core accounting processes, are functions related to management and continual improvement of the accounting, which includes functional Systems Management. While legacy systems are primarily used to support accounting operations, there are many manual work-around processes within Accounting. Although the processes within these function may be few in number, the manual labor to perform these processes result in expending many man-hours to support the work.

The following information is provided to outline Accounting Services performed at four of the five major DFAS locations (by Network), to include the systems used, as well as an approximation of personnel and workload data. (Note: Marine Corps Accounting is **not** included in this RFI). When systems and processes are discussed in the following Network descriptions it includes legacy, migratory, and personal computer based applications. Recognize that both systems and processes in some cases are: 1) shared across all networks; 2) shared

across a couple networks; or 3) network unique. As we move forward in this process, when appropriate, we will issue detailed information that fits under each of the three categories. However, at this time such detail is not necessary for purposes of the RFI.

**AIR FORCE ACCOUNTING:** DFAS Denver provides Departmental Accounting, Field Level Accounting, and Management and continual improvement of Accounting processes (e.g., Accounting Systems) support for the U.S. Air Force. Air Force Accounting is comprised of all ten core accounting functions and is primarily performed by the DFAS Denver, Colorado site and its subordinate sites located at 1) Dayton, Ohio; 2) Limestone, Maine; 3) Omaha, Nebraska; 4) San Antonio, Texas; 5) San Bernardino, California. Some Air Force Accounting functions are also performed by DFAS sites located in Orlando, Florida; Pacific (Honolulu, Hawaii); Germany (Kaiserslautern), and Japan (Yokota, Japan), which are sites that are operated by other DFAS Networks which will be outlined below. Customers are represented by 9 Air Force Major Commands (including the Air Force Reserve Command), the Air National Guard, five Direct Reporting Units (DRUs) and 35 Field Operating Agencies (FOAs). These organizations represent a populace of over three-quarters of a million military and civilians located throughout the world at 166 Air Force installations. In addition to the above customers, accounting support and services are also provided to these unified commands: U.S. Transportation Command (TRANSCOM), U.S. Northern Command (NORTHCOM), U.S. Central Command (CENTCOM), U.S. Special Operations Command (USSOCOM), U.S. Strategic Command (STRATCOM). Customers also include the following Department of Defense Agencies: Defense Information Services Agency (DISA), Defense Security Services (DSS), Uniformed Services University of Health Sciences (USUHS), and the National Imagery and Mapping Agency (NIMA).

**Systems Used:** DFAS Denver provides accounting services using sixteen primary accounting systems: 1) The General Accounting and Finance System – BQ (GAFS-BQ), which is the standard base level accounting system for most appropriated funds and requires extensive on-line availability to support customers worldwide; 2) The GAFS-R is the interim migratory accounting system to support the U.S. Air Force and other DoD agencies and is comprised of 3 major modules that support trial balances for general ledgers, working capital funds, etc., in support of departmental reports; 3) The Central Procurement Accounting System (CPAS) which is used to maintain official accounting records for Headquarters Air Force Materiel Command and HQ Space Command accounts for Central Procurement appropriations, Foreign Military Sales (FMS), RDT&E mission funds, Materiel Support Division and Depot Maintenance Activity Group Fund Operating Program and RCS; 4) The Standard Materiel Accounting System (SMAS) provides financial and accounting support for the Supply Management Activity Group (SMAG) of the regular Air Force, Air National Guard, Air Force Reserves, and the Air Force Academy; 5) The Standard Base Supply System is an automated inventory accounting system designed to provide timely support to base-level activities for supplies and equipment; 6) The Financial Inventory Accounting and Billing System (FIABS) provides financial and accounting support for the SMAG of the Air Force's three Air Logistics Centers. It accounts for commodities managed by and through the Air Force SMAG to include the General and Material business activities and the General Funds Operating Materials and Supply balances; 7) The Aerospace Maintenance and Regeneration Center (AMARC) Business system (ABS) provides financial accounting and production support for the Aerospace Maintenance and Regeneration

Center Air Force working capital fund via transaction based accounting processing and reporting; 8) The Civilian Pay Accounting Interface System (CPAIS), in conjunction with the Civilian Pay Accounting Bridge, is the standard Air Force accounting interface with the Defense Civilian Pay System. CPAIS receives, verifies, reports and transfers accounting information related to payrolls processed by DCPS; 9) The Status of Funds (SOF) system is used exclusively at DFAS-DE to prepare the Air Force Status of Funds reports. The system receives and consolidates budget execution data from field level activities, disbursement and collection data from the Merged Accountability and Fund Reporting System, funding amounts from Air Force Budget and the Programmed Budget Accounting System (PBAS), Treasury expenditures from the Army, Navy, State Department, GSA, etc. and other miscellaneous inputs; 10) The Command On Line Accounting and Reporting System (COARS) receives, processes and consolidates base-reported status of funds, and then prepares standard command wide reports for submission to DFAS-DE and SAF/FM; 11) The DFAS Interface Transaction Module (DTIM), Phase I, automated reimbursable SF1080 transactions from the Defense Industrial Financial Management System (DIFMS) to the Centralized Disbursing System (CDS), the General Accounting and Finance System (GAFS), and the Central Procurement Accounting System (CPAS). Phase II automated obligation and expenses from Air Mobility Command (AMC) Mobility Travel Authority to the General Accounting and Finance System (GAFS). Phase III automates 'manual' SF1080, SF1081, and OF1017G vouchers to GAFS, CPAS, and CDS; 12) The Defense Industrial Financial Management System (DIFMS) is an automated information system supporting defense working capital funds; 13) The Airlift Services Industrial Fund Integrated Computer System (ASIFICS) provides financial and accounting and billing support for the Air Mobility Command (AMC) and the United States Transportation Command (USTRANSCOM). The system accounts for all air services provided by AMC to DoD agencies, other federal agencies and commercial contractors; 14) The Military Sealift Command- Financial Management System (MSC-FMS) is a complete, transaction driven management information and finance and accounting system that maintains proper separation of charges for the Transportation Working Capital Fund (TWCF), an activity group of the Air Force Working Capital Fund (AFWCF), and the Navy (NWCF) Working Capital Funds; 15) The Transportation Financial Management System-Military Traffic Management Command (TFMS-M) is a complete, transaction driven management information and finance and accounting system that maintains proper separation of charges for the Transportation Working Capital Fund (TWCF), an activity group of the Air Force Working Capital Fund (AFWCF); 16) The Departmental Cash Management System (DCMS) which is a legacy system that manages and reconciles all cash disbursements, reimbursements, collections, and receipts department-wide. It should also be noted that there are many other interfacing systems used in support of Air Force accounting. Some are DFAS-owned entitlement systems, while others are not DFAS-owned, but relied upon by DFAS to interface accounting data/transactions

At the end of FY02 there were approximately 1,209 DFAS personnel (civilian, military, Local Nationals) that support Air Force Accounting. During Fiscal Year 2002, DFAS Denver produced 2,366 departmental reports monthly, recorded 5,616 trial balances monthly, and recorded 273.4M journal entry lines annually.

**ARMY ACCOUNTING:** DFAS Indianapolis provides Departmental Accounting, Field Level Accounting, and Management and continual improvement of accounting processes (e.g.,

Accounting Systems) support for the U.S. Army. Army Accounting is comprised of all ten core accounting functions and is primarily performed by the DFAS Indianapolis, Indiana site and its subordinate sites located at 1) DFAS Europe (Kaiserslautern, Germany currently being realigned to DFAS Rome, however a small cell will remain in Europe); 2) Rome, New York; 3) Lawton (Fort Sill, Oklahoma) ; 4) Lexington, Kentucky; 5) Orlando, Florida; 6) Rock Island, Illinois; 7) Saint Louis, Missouri; and 8) Seaside (Monterey, California). Some Army Accounting functions are also performed by DFAS sites located in Japan (Yokota, Japan), Pacific (Honolulu, Hawaii), San Antonio, Texas, and Norfolk, Virginia, which are sites operated by other DFAS Networks outlined in this document. Customers are represented by 15 Army Major Commands, the U.S. Army Reserve Command, the Army National Guard and its 54 U.S. Property and Fiscal Offices, 23 Field Operating Agencies and other units. These organizations represent a populace of over 1.25 million military and civilians located around the world (1,035,000 military and 223K civilians). They serve at over 100 major installations (forts), camps, arsenals, depots and proving grounds, plus numerous other smaller Army reserve centers, armories, and activities. In addition to these customers, accounting support and services are also provided to the U.S. European Command and U.S. Southern Command as well as the Army components of other unified commands. DFAS Indianapolis also provides interfund reporting of Defense Agency buyer and seller transactions as well as Treasury accounting/reporting for cash expenditure transactions for the Document Automation and Production Services and the following Department of Defense Agencies/activities: 1) Armed Forces Information Service; 2) Counterintelligence Field Activity; 3) Defense Advanced Research Projects Agency; 4) Defense Information Systems Agency; 5) Defense Intelligence Agency; 6) Defense Legal Services Agency; 7) Defense Prisoners of War/Missing in Action Office; 8) Defense Security Cooperative Agency; 9) Defense Technology Security Administration; 10) Defense Threat Reduction Agency; 11) Department of Defense Education Activity; 12) Department of Defense Inspector General; 13) Joint Chiefs of Staff; 14) Missile Defense Agency; 15) National Security Agency; 16) Office of Economic Adjustment; 17) Tricare Management Activity; 18) Washington Headquarters Services; 19) Pentagon Force Protection Agency; 20) Defense Logistics Agency; 21) Defense Commissary Agency; 22) Defense Contract Audit Agency; 23) Defense Contract Management Agency; 24) Defense Human Resource Activity; 25) Defense Technical Information Center; 26) Defense Finance and Accounting Service; 27) U.S. Army Test and Evaluation Command; 28) Center for Countermeasures; 29) Corporate Information Management; and 30) Foreign Comparative Testing.

Systems Used: DFAS Indianapolis provides accounting services using twelve primary accounting systems: 1) The Standard Finance System (STANFINS) is a general fund accounting system that supports the day-to-day operations at Army installations worldwide; 2) The Defense Joint Accounting System (DJAS) prototype performs similar functions for one Army installation and three Army schools; 3) The databased Commitment Accounting System (dbCAS) is a personal computer based commitment ledger system for recording and managing commitments and funding data as well as uploading and receiving obligation transactions from STANFINS; 4) The Standard Operations and Maintenance, Army Research and Development System (SOMARDS) supports the Army Materiel Command; 5) The Headquarters Accounting and Reporting System (HQARS) is a departmental accounting system; 6) The Standard Industrial Fund System (SIFS) provides direct accounting support to Army depots and arsenals that use Army working capital funds; 7) The Commodity Command Standard System – Financial (CCSS-

F) supports Army Materiel Command with Army working capital fund financial inventory accounting; 8) The Installation Supply Buffer (ISB) is used to record and track quantities and dollar amounts of supply transactions originating in the Army's Standard Retail Supply System (SARSS); 9) The Program Budget Accounting System (PBAS) is used to control fund distributions and reprogramming of funds; 10) The Standard Finance System Redesign 1 (SRD1) is a multifunctional system that performs payment and collection actions as well as bridges information to accounting databases to update general and subsidiary ledger files; 11) The Defense Cash Accountability System (DCAS) receives by-others transactions (TBOs) and is used for Treasury reporting, distribution, and reconciliation with Treasury and the accounting system; 12) The Defense Departmental Reporting System (DDRS) is used for the preparation of financial statements. Additionally, the Operational Data Store (ODS) is not an "accounting system", but is a relational database that allows numerous systems to share entitlement, payment, and accounting data; it acts a repository for storing current operational data for query and processing purposes. It should also be noted that there are many other interfacing systems used in support of Army accounting. Some are DFAS-owned entitlement systems, while others are not DFAS-owned, but relied upon by DFAS to interface accounting data/transactions.

The Logistics Modernization Program (LMP) is an Army Materiel Command (AMC) initiative to modernize national level logistics business processes. It is replacing two of AMC's most complex national level logistics management information systems: 1) Standard Depot System (SDS) and Commodity Command Standard System (CCSS). DFAS has partnered with AMC to replace the working capital fund accounting systems that support these logistics systems.

At the end of FY02 there were approximately 2,323 DFAS personnel (civilian, military, Local Nationals) supporting Army Accounting. During Fiscal Year 2002, DFAS Indianapolis produced 1,051 departmental reports monthly, recorded 38K trial balances monthly, and recorded 776M journal entry lines annually.

**DEFENSE AGENCY ACCOUNTING:** DFAS Columbus provides Departmental Accounting, Field Level Accounting and Management and continual improvement of Accounting processes (e.g., Accounting Systems) support for Defense Agencies, with the largest being the Defense Logistics Agency (DLA). Defense Agency Accounting is comprised of nine core accounting functions (no cost accounting) and is performed by DFAS Columbus, Ohio. DFAS Columbus does not have any subordinate sites, however some Defense Agency accounting is performed by DFAS Charleston, South Carolina and DFAS Indianapolis, Indiana, which are sites owned by other DFAS Networks outlined in this document. The DFAS Columbus customer base is wide spread and varied, as they are "the" DFAS site to service all Defense Agencies. Customers supported include: 1) Document Automation & Production Services and 27 Defense Agencies serviced out of Columbus, Ohio: 1) American Forces Information Service; 2) Counterintelligence Field Activity; 3) Defense Advanced Research Projects Agency; 4) Defense Information Systems Agency; 5) Defense Intelligence Agency; 6) Defense Legal Services Agency; 7) Defense Prisoner of War/Missing Personnel Office; 8) Defense Security Cooperation Agency Headquarters; 9) Defense Technology Security Administration; 10) Defense Threat Reduction Agency; 11) DoD Education Activity; 12) DoD Inspector General; 13) Joint Staff Comptroller; 14) Missile Defense Agency; 15) National Security Agency; 16)

Office of Economic Adjustment; 17) TRICARE Management Activity; 18) Washington Headquarters Services; 19) Pentagon Force Protection Agency; 20) Defense Logistics Agency Comptroller; 21) Defense Commissary Agency; 22) Defense Contract Audit Agency; 23) Defense Contract Management Agency; 24) Defense Human Resource Activity; 25) Defense Technical Information Center; 26) Defense Finance and Accounting Service Director; 27) Center for Countermeasures. Defense Agencies provides additional accounting services to Agencies for which they are not the Client Executive, including, but not limited to U.S. Army Test and Evaluation Command, Corporate Information Management, and Foreign Comparative Testing. Defense Agency Accounting performs the accounting functions for these customers and Army Accounting performs interfund reporting of Defense Agency buyer and seller transactions as well as Treasury accounting/reporting for cash expenditure transactions.

Systems Used: DFAS Columbus provides accounting services using sixteen accounting systems: 1) The Defense Business Management System (DBMS) is a fully integrated resource management system comprised of three major subsystems, one being the Appropriation Accounting System (AAS); 2) The Base Operations Support System (BOSS) is a supply system, used by the Defense Logistics Agency (DLA) with financial, procurement and supply modules that is used to perform some accounting tasks related to those functions; 3) The Standard Finance System (STANFINS) provides general ledger accounting for the Defense Commissary Agency (DeCA); 4) The Business Systems Modernization (BSM) is a Commercial Off-the-Shelf (COTS) package implement by DLA to streamline business practices managed by the following two systems: 5) The Standard Material Management System (SAMMS) and 6) The Defense Integrated Subsistence Management System (DISMS) which are both used for DLA support to military services, commissaries, storage facilities, Veterans Administration hospitals, military ships, and Military school programs; 7) The Defense Fuels Automated Management System (DFAAMS) is an on-line interactive system used by DLA's Defense Energy Supply Center (DESC) to manage the Fuel Program and its inventory for the DoD; 8) The Defense Working Capital Accounting System (DWAS) is used to support the Defense National Stockpile Center (DNSC), which is part of DLA; 9) The Defense Cash Accountability System (DCAS) receives Defense Agency by-others transactions (TBOs) and is used for Treasury reporting, distribution and reconciliation with Treasury and the accounting system; 10) The Columbus Cash Accountability System (CCAS) is a networked group of personal computers that process and compare the accounting transactions posted to the installation level trial balances to what was reported to Treasury to identify discrepancies related to Defense Agencies accounting; 11) The Defense Joint Accounting System (DJAS) is used to support the Missile Defense Agency (MDA); 12) The Washington Headquarters Service Allotment Accounting System (WAAS) is used for field accounting for Defense Agency customers serviced by Defense Agency Financial Service, maintained at Washington Headquarters Service, Washington, DC; 13) The DISA Allotment Accounting System (DAAS) is a version of WAAS used for field accounting for Defense Information Systems Agency (DISA); 14) The Centralized Accounting and Financial Resource Management System (CAFRMS) is used for field accounting for Defense Threat Reduction Agency (DTRA) for fiscal years 1998 and prior; 15) The Defense Departmental Reporting System (DDRS) is used to prepare monthly financial Statements; 16) The Chief Financial Officer (CFO) Load and Reconciliation System (CLRS) is an internal application used for the compilation of all Treasury Index (TI)-97 Defense Agencies financial data supported by the Audited Financial Statement Division at DFAS Indianapolis. It should also be noted that



there are many other interfacing systems used in support of Defense Agency accounting. Some are DFAS-owned entitlement systems, while others are not DFAS-owned, but relied upon by DFAS to interface accounting data/transactions.

In addition to the specific customer and system information provided in this RFI, Defense Agencies monies are accounted for as sub-allotments issued to the Military Service Executive Sites. This workload is accomplished for other customers using additional personnel and systems than those identified herein.

At the end of FY 02, there was approximately 669 DFAS personnel (civilians) that support Defense Agency Accounting. During Fiscal Year 2002, DFAS Columbus produced 825 departmental reports monthly, recorded 7,063 trial balances monthly, and recorded 97.8M journal entry lines annually.

**NAVY ACCOUNTING:** DFAS Cleveland provides Departmental Accounting, Field Level Accounting and management of continual improvements of accounting processes (e.g., Accounting Systems) for the U.S. Navy. Navy Accounting is comprised of nine core accounting functions and is primarily performed by the DFAS Cleveland, Ohio site and its subordinate sites located at 1) Charleston, South Carolina; 2) Yokota, Japan; 3) Norfolk, Virginia; 4) Pensacola, Florida; 5) San Diego, California; 6) Oakland, California; 7) Honolulu, Hawaii. The Navy performs some Navy Accounting functions at Naval Air Station, Keflavik, Iceland. Customers are represented by 24 major commands including Naval Reserve Forces, Operational Test & Evaluation Forces, Naval Special Warfare Command, U.S. Naval Forces Central Command, U.S. Naval Forces Europe, Naval Network Warfare Command, Military Sealift Command, Atlantic Fleet and Pacific Fleet (includes Fleet Marines and their Type Commanders). These organizations represent 28,006 separate and unique unit identifiers covering the Navy, Marine Corps, Coast Guard and their contractor support at over 800 unique locations worldwide, approximately 300 major ships, and a populace of over 385,000 military and 182,000 civilians located throughout the world. In addition to the above customers, accounting support and services are also provided to the unified commands.

**Systems Used:** DFAS Cleveland provides accounting services using fifteen systems: 1) The Standard Accounting and Reporting System (STARS) supports general fund accounting for Navy – Departmental, Navy – Field, Marine Corps – Departmental, Defense Agency – Departmental, and Defense Agency - Field; 2) The Defense Industrial Financial Management System (DIFMS) is a fully integrated Working Capital Fund financial system that supports Navy Depot Maintenance and Research and Development activities; 3) The Defense Working Capital Fund Accounting System (DWAS) is used to support the Naval Facilities Engineering Service Center (NFESC) and the Public Works Centers (PWCs) and Navy Base Support business areas; 4) The Material Financial Control System (MFCS) is used to manage the Navy's Working Capital Fund inventory assets consisting of wholesale and retail operations; 5) The Shipyard Management Information Systems (SYMIS) processes data related to virtually every element of naval shipyard operations; 6) The Ship's Stores Accounting System accounts for transactions established to provide health, comfort, or convenience articles and services necessary for daily shipboard living; 7) The Cash Reconciliation System (CRS) provides DFAS the capability to maintain a database on monthly summary expenditure and reimbursement information. This

information is derived from output of the Defense Cash Accountability System (DCAS); 8) The Defense Cash Accountability System (DCAS) receives transactions by-others (TBOs) and is used for Treasury reporting, distribution and reconciliation with Treasury and the accounting system; 9) The Departmental Financial Reporting and Reconciliation System (DFRRS) improves Navy expenditure reporting and cash accountability by providing the Disbursing Officer (DO) and subordinate activities, with on-line entry of collection and disbursement vouchers. DFRRS supports exporting of a collective file of transactions to the Financial Reporting System (FRS) for Department of Navy ashore Disbursing Station Symbol Numbers (DSSN); 10) The Financial Operations Support (FOS) system is a financial management information processing system, which consists of two subsystems: Geographical Outlays and Flow of Gold (FOG). The Geographical Outlays subsystem classifies, edits, validates and reports Civilian and Military Personnel Payroll expenditures by geographical locations. The FOG subsystem classifies, edits, validates and reports expenditures for navy personnel on shore leave in foreign ports; 11) The Financial Reporting System (FRS) is a financial management information processing system which classifies, edits, balances, validates and reports all disbursements and collections; material and labor expenditures; and accounting data adjustments or corrections within the Navy; 12) The Navy Prompt Payment Interest (NPPI) system is a financial management information processing system. NPPI tracks from the DCAS all detail interest payment transactions for Navy and Marine Corps. The input data is received monthly from DCAS and updates the NPPI cumulative interest expenditures database and the NPPI stratification database. Summary reports are produced for the Major Commands and NPPI staff; 13) The Suspense/Aging Monitoring System (SAMS) is an accounting and reporting system used to monitor and control collections, establish audit trails, and prevent improper retention and misuse of collections. SAMS monitors age, dollar amount, and number of transactions in Budget Clearing accounts, Navy Suspense accounts, and related subhead; 14) The Transactions for Others/Transaction by Others (TFO/TBO) system allows automated corrections to be entered through a WEB-based tool developed to simplify the process of creating accounting adjustments. Users are able to create accounting adjustments for any transaction previously registered in FRS/DCAS, including transactions involving multiple reversal and offset entries. The application offers correction capability to clear unmatched transactions from SAMS Suspense. The system also provides automated processes and mechanisms for capturing, validating, correcting, reconciling, and reporting all cross-disbursement transactions made for Navy by other department of the federal government; 15) The Work Year Personnel Cost (WYPC) reporting system provides for the collection of hours and dollars paid by labor category such as straight time, overtime, leave, pay plan, object class, location, and component for the Department of the Navy. It should also be noted that there are many other interfacing systems used in support of Navy Accounting. Some are DFAS-owned entitlement systems, while others are not DFAS-owned, but relied upon by DFAS to interface accounting data/transactions

DFAS also supports the Navy's Enterprise Resource Planning (ERP) initiatives. ERP is a set of business process solutions using an integrated relational database system to manage enterprise operations: sales, planning, purchasing, maintenance, inventory control and financials. It shares common data and practices across the enterprise. ERP provides real-time information for decision making and performance measurement, incorporating best practices. It is being utilized by four major commands.

At the end of FY02 there were approximately 1,197 DFAS personnel (civilians, military, Local Nationals) that support Navy Accounting. During Fiscal Year 2002, DFAS Cleveland produced 1,521 departmental reports monthly, recorded 2,804 trial balances monthly, and recorded 1.8B journal entry lines annually.

### **INSTRUCTIONS FOR PROVIDING INFORMATION:**

This Request for Information is to assist the Government in determining if there is sufficient industry interest in performing DFAS Accounting Services. The DFAS Accounting Business Line (ABL) will hold an Industry Day in Columbus, Ohio on December 18, 2003, beginning at 8:00 a.m. at the Greater Columbus Convention Center. The Greater Columbus Convention Center is located at 400 N. High Street, Columbus, OH 43215. Information regarding directions, parking, etc., can be found at <http://www.ovr.org/sites/sites.php?id=GCCC>.

Instructions will be divided into two segments with different due dates: 1) Industry Day and 2) Written Capability Statements and Questions.

#### **Industry Day:**

The Industry Day format will be as follows: 1) DFAS presentation on the DFAS Accounting Business Line functions to all attendees. 2) Opportunities for individual service provider presentations consisting of an overview of their capabilities. Presentations will be one-on-one; service provider and DFAS, and be strictly limited to 30 minutes. 3) Brief closing statement to all attendees.

Industry Day attendance will be strictly limited to no more than 4 representatives per service provider. Parties interested in attending the Industry Day as well as providing a 30-minute briefing to DFAS personnel must notify Ms. Cheryl Marquez, Acquisition Services Directorate, DFAS-ASD-Columbus, OH no later than 4:00 p.m. EST, by December 11, 2003 via e-mail ([cheryl.marquez@dfas.mil](mailto:cheryl.marquez@dfas.mil)).

Notification of Industry Day attendance should include the company name, attendee names and titles, and whether a briefing to DFAS personnel will be provided.

No audio/visual equipment will be available for service provider presentations. Paper copies/handouts of briefings are required at a minimum, and should be limited to 15 slides that are focused on the capabilities to perform DFAS Accounting Services. DFAS representatives will not answer questions during individual vendor presentations.

#### **Capability Statements and Questions:**

Service providers may submit questions by e-mail only to Ms. Cheryl Marquez at [cheryl.marquez@dfas.mil](mailto:cheryl.marquez@dfas.mil). Questions must be received no later than 4:00 p.m., EST, December 16, 2003. Answers to questions will be provided as questions are received. A consolidated list of questions and answers will be posted to [www.dfas.mil](http://www.dfas.mil) after the Industry Day concludes (mid-January 2004).

Using information in this RFI as a baseline and the following guidelines, written capability statements must be received no later than 4:00 p.m. EST, December 16, 2003 via e-mail to ([cheryl.marquez@dfas.mil](mailto:cheryl.marquez@dfas.mil)).

1. This Request for Information (RFI) is not a commitment by the Government to pursue competitive sourcing for DFAS Accounting services. This RFI is being used solely as a Market Research tool. However, Vendors must include with this notification, a brief non-binding statement indicating their potential interest in competing for DFAS Accounting if it is competed under OMB Circular A-76, and a Statement of Capabilities responding to areas outlined below in paragraphs 7 a-k.
2. Only interested vendors need reply.
3. RFI Capability Statements are limited to 10 pages. A Cover sheet limited to 2-pages may be included, but will not be considered in determining capability to perform DFAS Accounting services.
4. This RFI outlines DFAS Accounting Services by Network (Air Force Accounting, Army Accounting, Navy Accounting, and Defense Agency Accounting).
5. This RFI outlines DFAS Accounting Services by major function (Departmental Level Accounting, Field Level Accounting, functional Systems Management).
6. Only one capability statement will be accepted from each company. The capability statement must outline, at a minimum areas covered in #7 below. The capability statement can be inclusive or it may specify any separate area or combination of areas outlined in #4 and #5 above. The combinations are varied. It is up to each vendor to specify what their capability(ies) is/are covering. **This must be the opening paragraph of each capability statement.**
7. Using information in this RFI as a basis as to what constitutes accounting services, vendors must provide a brief Statement of Capabilities that they have accomplished or participated within the last 3 years (**limited to no more than 10 pages**). Statements of Capabilities are to be in Word format, 1" margins, Times New Roman, Font 11. The Statement of Capabilities must include, at a minimum, responses to the following areas. Responses should outline a demonstrated capability to include when, who, what.
  - a. Company Overview – Size, location(s) and primary capabilities. Can also include additional information not provided by the already defined functionalities, to include any other pertinent information desired.
  - b. Ability to perform core accounting functions using both manual and automated processes.
  - c. Ability to perform core accounting functions of a large scope.
  - d. Ability to perform core accounting functions in and with a geographically dispersed environment.
  - e. Ability to perform core accounting functions independently and/or cooperatively with Government and/or other service providers.
  - f. Similar services provided (current or within the last 3 years). Type of service (in detail) – to whom, volume (dollars and transactions) for each category, to include accounting methods/mechanisms.
  - g. Ability to manage multiple financial management systems.

- h. Familiarity with Government Policies and Procedures.
- i. Ability to expand accounting services delivery quickly, when necessary (e.g., human resources flexibility).
- j. Critical performance metrics/standards of service process.
- k. Best practices utilized today and processes for anticipating changes/trends in how accounting services may be provided in the next 5 years.